

Background/Supporting Information Attached

The attached provision of the Ordinance has been found to be in violation of the Internal Revenue Code related to Constructive Receipt. The City has conversed with the appropriate IRS officials to ensure the proposed modification(s) comply.

Additionally, the City has also negotiated the same change(s) with each respective collective bargaining unit to ensure the City is in compliance with the IRS requirements.

These changes are necessary to prevent an adverse tax impact on non-represented and appointed employees.

Finally, the proposed changes to paragraphs (a), (d), and (e) are to match current City practices supporting the equitable treatment of employees and to eliminate archaic language.

Thank you for your consideration to this very important issue.